RE: Toronto Sun

From: "Ostergard, Matt (TBS)" <matt.ostergard@ontario.ca>
To: "Lazarus, Jordan (OPO)" <jordan.lazarus@ontario.ca>, "@OPO-Media Relations and Issues Management" <opo-mediarelationsandissuesmgmt@msgov.gov.on.ca>
Cc: "Prins, Sebastian (TBS)" <sebastian.prins@ontario.ca>, "Tedesco, Lauren (TBS)" <lauren.tedesco@ontario.ca>
Date: Wed, 15 Feb 2017 16:09:26 -0500

Thanks.

If folks are good I will send the following. I struck one line that was fact-checked.

" For background, note that we previously disclosed remuneration to QP Briefing in November. ~~The remuneration for these types of panels is standard across government.~~ The work of the panel is ongoing so we don't have final costs at this time but they will be in line with previous panels and will be made public.

"In preparing the 2015-16 Public Accounts of Ontario there was a disagreement between the Province's professional accounting staff and the Auditor General's Office regarding accounting for the Province's jointly sponsored pension plans.

In order to find a resolution for this dispute the government established a independent expert panel to provide advice on the accounting standards of Ontario's defined benefit pension plans. This panel has now released its findings and have concluded that the accounting treatment for jointly sponsored pension plans that Ontario used consistently since 2001 was and is still appropriate.

The independent experts came to this conclusion because the government controls access to the pension surplus which has a future economic benefit to the province and recognizing the asset will provide an accurate representation of the province's financial position

The membership of the Pension Asset Expert Advisory Panel was comprised of accounting, legal, and pension experts in the areas of jointly sponsored pension plans governance, actuarial modelling for pension plans and public sector accounting standards."

From: Lazarus, Jordan (OPO)
Sent: Wednesday, February 15, 2017 4:00 PM
To: Ostergard, Matt (TBS); @OPO-Media Relations and Issues Management
Cc: Prins, Sebastian (TBS); Tedesco, Lauren (TBS)
Subject: RE: Toronto Sun

Let's say we'll be making it public then and then let's do it

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From: Ostergard, Matt (TBS)
Sent: February-15-17 3:59 PM
To: Lazarus, Jordan (OPO); @OPO-Media Relations and Issues Management
Cc: Prins, Sebastian (TBS); Tedesco, Lauren (TBS)
Subject: RE: Toronto Sun

Hi –

Just an update on this one as I've been working with the department to fill in the highlighted section.

The costs associated with the Pension Panel will be captured in the Public Accounts. However, given the threshold requirements for Public Accounts we don't anticipate that a detailed schedule of payments would be identified in Volume 3 which contains the transfer payments made by ministries to recipients that are not a part of the Government of Ontario. Releasing this information would be a decision we'd have to make, and would not happen through an existing/standard mechanism.

We are working up new language to insert that the remuneration complies with the agencies and appointments directive.

I will run new language past the group as soon as it is ready.

Matt

From: Lazarus, Jordan (OPO)
Sent: Wednesday, February 15, 2017 1:47 PM
To: Ostergard, Matt (TBS); @OPO-Media Relations and Issues Management
Cc: Prins, Sebastian (TBS); Tedesco, Lauren (TBS)
Subject: RE: Toronto Sun

Some edits, can you fill in where the final costs will be disclosed

For background, note that we previously **disclosed remuneration to QP Briefing in November.** The remuneration for these types of panels is standard across government. The work of the panel is ongoing so we don't have final costs at this time but they will be in line with previous panels and will be made public through xxx.

"In preparing the 2015-16 Public Accounts of Ontario there was a disagreement between the Province's professional accounting staff and the Auditor General's Office regarding accounting for the Province's jointly sponsored pension plans.

In order to find a resolution for this dispute the government established a independent expert panel to provide advice on the accounting standards of Ontario's defined benefit pension plans. This panel has now released its findings and have concluded that the accounting treatment for jointly sponsored pension plans that Ontario used consistently since 2001 was and is still appropriate.

The independent experts came to this conclusion because the government controls access to the pension surplus which has a future economic benefit to the province and recognizing the asset will provide an accurate representation of the province's financial position

The membership of the Pension Asset Expert Advisory Panel was comprised of accounting, legal, and pension experts in the areas of jointly sponsored pension plans governance, actuarial modelling for pension plans and public sector accounting standards."

From: Ostergard, Matt (TBS)
Sent: February-15-17 1:33 PM
To: @OPO-Media Relations and Issues Management
Cc: Prins, Sebastian (TBS); Tedesco, Lauren (TBS)
Subject: FW: Toronto Sun

Below is a draft response for Antonella on Pension Asset Expert Advisory Panel.

For background, note that we previously [disclosed remuneration to QP Briefing in November.]

"In preparing the 2015-16 Public Accounts of Ontario, the Province's professional accounting staff and the Auditor General's Office engaged in discussions about the appropriate application of Public Sector Accounting Board standards regarding pension accounting for the Province's jointly sponsored pension plans.

From the government's perspective, the accounting treatment for jointly sponsored pension plans that Ontario used consistently since 2001 was and is still appropriate. Given the difference of opinion at the time, the Province filed a time-limited regulation, which legislated the accounting for pension assets of jointly sponsored pension plans for the 2015-16 Public Accounts only. This was consistent with the fiscal outcome proposed by the Auditor General.

Since the release of the Public Accounts, the government established a Pension Asset Expert Advisory Panel to provide independent advice on the interpretation of the accounting standards to Ontario's defined benefit pension plans. This panel has now provided its report on two of Ontario's jointly sponsored pension plans to the government and it has been shared with the Auditor General and the public.

The membership of the Pension Asset Expert Advisory Panel was comprised of accounting, legal, and pension experts in the areas of jointly sponsored pension plans governance, actuarial modelling for pension plans and public sector accounting standards.

The Chair will be compensated at $2,000 per diem and $1,900 per diem for the other members. As a member of the public service of the Province of New Brunswick, Mr. Martin will not receive compensation. He is only eligible for expense reimbursements. Members are only compensated for a limited number of days actually worked.

Panel members will also be reimbursed for reasonable expenses incurred in connection with their duties in accordance with Treasury Board/Management Board of Cabinet Directives and Guidelines

Note that the work of the panel is ongoing as we await a supplemental report to review other pension assets like the Healthcare of Ontario Pension Plan and the Colleges of Applied Arts and Technology Pension plan. These plans are multiemployer pension plans and may move into a net pension asset position in the future. The government felt it was prudent to also review the accounting for this potential situation now given that these plans differ in structure from the jointly sponsored pension plans that were the subject of the disagreement between the professional staff and the Auditor General."

From: Artuso, Antonella [mailto:AArtuso@postmedia.com]
Sent: Wednesday, February 15, 2017 12:06 PM
To: Ostergard, Matt (TBS)
Subject: Toronto Sun

Hi Matt: I have a couple of questions about the Pension Asset Expert Advisory Panel. Why did you commission the panel? How did you decide on the remuneration for panel members? For today. Thanks, Antonella

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